

Heads British Bizonal Control

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MGR Title 1

present or subsequently created functions. They observe, review, and, through the Bipartite Control Office, exercise control of the operation of its department.

The Economic Council 15 composed of 54 representatives selected by the Landtag of the US and UK Zones on a basis of one for each 750,000 population or part thereof in excess of 375,000, but not less than one per Land; and in proportion to the division of political opinion in the Land as shown by popular vote in the most recent Land-wide elections.

The Executive Committee is composed of one representative from each Land appointed by the Land government. By majority vote the Executive Committee proposes and makes recommendations on ordinances for adoption by the Economic Council; issues implementing regulations within the scope of the authority delegated to the Executive Committee by the Economic Council; coordinates and supervises the execution of ordinances and implementing regulations by the Executive Directors, in accordance with the policies adopted by the Economic Council.

Each bizonal department is headed by an Executive Director selected from nominations by the Executive Committee and appointed and removed by the Economic Council. Directors operate under immediate supervision of the Executive Committee but have general responsibility to the Economic Council. In accordance with policies adopted by the economic Council and under supervision of the Executive Committee the Executive Directors direct the operation of their respective departments; issue implementing regulations; are the chief account officers for their own departments and, subject to instructions and controls approved by the Economic Council, also for the financial and accounting operations of agencies under their general management and supervision.

Maximum responsibility for the conduct of bizonal functions is to be delegated by Military Government to German agencies. Maximum use is to be made of Land Governments in the performance of bizonal functions.



Gen. Sir Gordon Macready

German view. At all costs your council must not become merely a debating place for airing different land views.

MILITARY government has delegated very large responsibilities to you and we do not wish in any way to interfere with your initiative or with your judgment, so long as the basic requirements of British and American military governments are not infringed.

„While it is your task to view German economic problems from a higher level than can be the case in a land government, I trust that you will always remember that ultimately you are legislating for individual human beings and are not merely dealing with material commodities.

“As I have said, we of the American and British Military Governments are not here to interfere with you and to stifle your initiative. But we must, of course, watch and supervise your activities to ensure that the overall occupation policy is observed. Also we, and we alone, in many respects, can and will help you in all matters extending beyond the frontiers of your country, which, in present circumstances, you cannot deal with.”

GENERAL Sir Gordon N. Macready, serving as the British Joint Chairman of the Bipartite Control Office together with US Chairman Clarence L. Adcock, sees in the formation of the new German Bizonal Economic Organization a way in which economic recovery can become a reality.

Recently appointed to his post as British Chairman, General Macready assumes his new position with a wide background of experience. In 1918 he was for a year Assistant Adjutant and Quartermaster General with the Supreme War Council at Versailles. In 1919 he acted as Assistant Adjutant General to the British Military Mission in Berlin, later heading a special mission to Poland to organize the police force. General Macready's many governmental and military positions after that time included a post in 1942 as Chief of the British Army Staff in Washington, D.C. To take up the duties of his present position, General Macready left the office of Regional Commissioner, Land Niedersachsen.

As Joint Chairmen of the Bipartite Control Office, General Macready and Mr. Adcock will supervise the Bizonal Economic Organization which recently held an inaugural meeting in Frankfurt. Speaking at this inaugural gathering to which delegates and representatives of all the eight Laender of the combined area were welcomed, General Macready said:

“You, gentlemen, are a representative council of a large part of Germany. You will be responsible to yourselves, to the American and British Military governments, and to the German people, for initiating, legislating for, and supervising measures affecting the whole economic life of the two zones.

“The extreme seriousness of the present economic situation is as well known to you it is to us, but I would suggest that you must never lose sight of the fact that our difficulties here in Germany are part of the difficulties which are world-wide in scope.

“I hope that, in your deliberations, you will always take a broad bizonal

US Policy in Germany

valuable personal property looted from Nazi victims which is not restitutable.

It is the policy of your government that persons and organizations deprived of their property as a result of National Socialist persecution should either have their property returned or be compensated therefore and that persons who suffered personal damage or injury through National Socialist persecution should receive indemnification in German currency. With respect to heirless and unclaimed property subject to internal restitution you will designate appropriate successor organizations.

Economic Unity and Recovery

Your government is desirous of securing agreement in the Control Council to the treatment of Germany as an economic unit, the formulation of common policies to all matters affecting Germany as a whole, and the establishment of central German administrative agencies for the purpose of implementing such common policies in the fields of finance, transport, communications, agriculture, economic (including industry and foreign trade), and such other fields as the Control Council may consider necessary and appropriate.

Your government likewise desires to secure the adoption of a production and foreign trade program for Germany as a whole which should be directed toward an increasing standard of living in Germany and the attainment at the earliest practicable date of a self-sustaining German economy. Such a program should give highest priority of coal, food and export goods; provide for such allocation and distribution of German indigenous output and approved imports throughout Germany as are necessary to carry out the production program and attain the agreed standard of living; ensure full payment for all goods and services exported from Germany (other than reparation or restitution) in approved imports or in foreign exchange which can be utilized for the payment of approved imports, and provide for the pooling of all export proceeds to be

made available, first, to meet the import needs of Germany as a whole for such time and in such amount as may hereafter be determined, and, secondly, to compensate the occupying powers for past expenditures pursuant to terms and conditions to be established hereafter, priority in the latter case being given to payment of costs sustained for essential imports in direct proportion to the expenditures made by the occupying powers.

In cases where the restoration of normal international commercial relations between Germany and the rest of Europe would involve an increase of US dollar expenditures for the Government of Germany, or a delay in the attainment of a self-supporting German economy at an appropriate standard of living, funds for German expenditures shall be increased, or the German economy compensated through provision by the United States of sufficient relief monies to the country or countries so benefited to enable them to pay Germany. You will consult other European countries and international organizations representing such countries in matters of German production and trade mentioned above, and ensure that emphasis is given, in the selection of items for export, to goods needed by European countries for their economic recovery and rehabilitation in so far as these countries may provide in payment needed imports for Germany, or foreign exchange which can pay for such imports. Proposed transactions of a substantial nature which would lead to a restoration of general European trade or normal international commercial relations or restore normal trade exchanges between Germany and other European countries but which would not conform to the principles stated in this paragraph should be referred to the US Government for decision.

You will support the removal of existing trade barriers and will encourage the return of foreign trade to normal trade channels.

Finance

Your government views the reorganization of German finances on a sound basis and the attainment of financial stability in Germany as among the main factors essential to

German economic recovery along democratic and peaceful lines. To that end, you will endeavor to have the Control Council adopt uniform financial policies in conformity with the principles and the objectives set forth in this directive.

Pending agreement in the Control Council, or until receipt of further directive from your government, you will continue to be guided by the following policies in your zone:

1. You will control, within the scope of your authority, all financial transactions of an international character in order to keep Nazi influence out of the field of finance and prevent outward movements of capital from Germany.

2. You will exercise general supervision over German public expenditures and measures of taxation in order to insure that they are consistent with the objectives of the Military Government.

3. You will take such action as may be necessary to prevent the establishment of a centralized German banking system and an undue concentration of financial power, but will encourage the establishment of a central authority for the production, issuance and control of currency and for technical banking supervision. You will also encourage the German to reestablish normal banking facilities within the limitation prescribed above and within the present blocking of assets and accounts under Military Government Law No. 52.

4. You will use the resources of the German economy to the maximum extent possible in order to reduce expenditures from appropriated funds of your government. You are authorized, as provided in the Potsdam Agreement, to use the proceeds of exports to pay for imports which you deem essential, subject to strict accounting and auditing procedures.

5. You will continue to aid economic recovery by collection of full payment for exports of German goods and services.

6. You will continue to prevent non-essential imports.

You will press for the adoption by the Control Council of a program for financial reforms which provides for a substantial and appropriate reduction in currency and monetary claims,

including public and private debt; for the equitable sharing of the costs of war and defeat; and for ancillary measures including adjustments in the wage-price structure necessary to the restoration of balance between the financial structure and the economic realities.

You will maintain such accounts and records as may be necessary to reflect the financial operations of the Military Government (US) in Germany, including also such operations undertaken jointly by you with the Military Government in the British and other zones of Germany.

You will take measures necessary for calculating occupation costs and distinguish those now incurred within Germany and supported by the German economy, and external occupation costs for eventual settlement with Germany. You will endeavor to agree on a definition of occupation costs of both types within the Control Council and to limit and control internal occupation costs on a quadripartite basis.

Agriculture

In accordance with the decision of 23 April 1947 of the Council of Foreign Ministers, you will ensure the carrying out and completion of land reform in your zone in 1947.

You will require the appropriate German authorities to adopt and implement policies and practices which will: maximize the production and provide for the effective collection and distribution of agricultural products.

You will require the appropriate German authorities to adopt and implement similar policies and practices in respect to forestry and fishing resources.

Economics Institutions

Pending agreement among the occupying powers you will in your zone prohibit all cartels and cartel-like organizations and effect a dispersion of ownership and control of German industry through the dissolution of such combines, mergers, holding companies, and interlocking directorates which represent an actual or potential restraint of trade or many dominate or substantially influence the policies of governmental agencies. You will not, however, prohibit gov-

ernmental regulation of prices or monopolies subject to government regulation, in fields where competition is impracticable. In so far as possible, you will coordinate your action in this field with the commanders of other zones of occupation.

You will permit the formation and functioning of cooperatives provided they are voluntary in membership, and are organized along democratic lines and do not engage in activities prohibited under the above paragraph.

While it is your duty to give the German people an opportunity to learn of the principles and advantages of free enterprise, you will refrain from interfering in the question of public ownership of enterprises in Germany, except to ensure that any choice for or against public ownership is made freely through normal processes of democratic government. No measure of public ownership shall apply to foreign-owned property unless arrangements which are satisfactory to your government have been made for the compensation of foreign owners. Pending ultimate decision as to the form and powers of the central German government, you will permit no public ownership measure which would reserve that ownership to such central government.

Pending agreement among the occupying powers, you will limit new foreign investment in your zone of Germany and will continue to ensure that all property, however owned, and all production and manpower in your zone are subject in all respects to the decisions and directives of the Control Council, and to Military Government and German Law.

You will permit the organization, operation, and free development of trade unions provided that their leaders are responsible to the membership and their aims and practices accord with democratic principles. Any federation of trade unions shall not impair the financial and organizational autonomy of member unions. You will encourage the trade unions to support programs of adult education and to foster an understanding of democratic processes among their members. You will permit trade unions to act in the interests of their members and to bargain collectively

regarding wages, hours and working conditions within the framework of such wage and price controls as it may be necessary to maintain.

Trade unions may represent the occupational, economic and social interests of their members in accordance with the authority contained in their constitutions. Their basic functions include participation with appropriate authorities in the establishment and development of a peaceful economy.

You will permit the organization and functioning of work councils on a democratic basis for the representation of the interests of employees in individual enterprises and will not prohibit the cooperation of trade unions therewith.

You will also permit the establishment of machinery for the voluntary settlement of industrial disputes.

Cultural Objectives

Your government holds that reeducation of the German people is an integral part of policies intended to help develop a democratic form of government and to restore a stable and peaceful economy; it believes that there should be no forcible break in the cultural unity of Germany, but recognizes the spiritual value of the regional traditions of Germany and wishes to foster them; it is convinced that the manner and purposes of the reconstruction of the national German culture have a vital significance for the future of Germany.

It is therefore of the highest importance that you make every effort to secure maximum coordination between the occupying powers of cultural objectives designed to serve the cause of peace. You will encourage German initiative and responsible participation in this work of cultural reconstruction and you will expedite the establishment of these international cultural relations which will overcome the spiritual isolation imposed by National Socialism on Germany and further the assimilation of the German people into the world community of nations.

Education

In recognition of the fact that evil consequences to all free men flow from the suppression and corruption of truth and that education is a primary means of treating a democratic and peaceful Germany, you will con-



(Army Signal Corps photo)

The Synagogue of the Israelite Religious Congregation of Munich was consecrated at a special ceremony in May, at which American, German, and Jewish leaders participated. Shown here is Dr. Hans Ehard, minister-president of Bavaria, speaking to the guests.

tinue to encourage and assist in the development of educational methods, institutions, programs and materials designed to further the creation of democratic attitudes and practices through education. You will require the German Laender authorities to adopt and execute educational programs designed to develop a healthy, democratic educational system which will offer equal opportunity to all according to their qualifications.

You will continue to effect the complete elimination of all National Socialist, militaristic, and aggressively nationalistic influences, practices, and teachings from the German educational system.

Religious Affairs

You will, in the US Area of Occupation, continue to assure freedom of religion. You will assure protection

of religious activity and support these principles in the deliberations of the Control Council.

You will give freedom to the Germans to decide all questions concerning the construction, the religious activity, and the amalgamation of purely ecclesiastical bodies.

You will continue to take such action as may be necessary to prevent the revival of National Socialist and militaristic activity under the cloak of a religious program or organization.

Monuments, Fine Arts, Archives

You will respect, and permit German authorities to protect and preserve, the property of all cultural institutions dedicated to religion, charity, education, fine arts and sciences, historic monuments, and historic archives, together with their collection

and endowments. You will apply the same principle to all other property of cultural value, whether publicly or privately owned, except for institutions and monuments specifically devoted to the perpetuation of National Socialism or to the glorification of the German militaristic tradition.

You are authorized to make such use of German records and archives as may be appropriate.

Public Information

You will, in the US Area of Occupation, supervise, encourage, and assist in the development by the Germans of media of public information designed to advance the political and cultural objectives stated in this directive.

You will arrange through the ACC for the implementation of the de-

cision of 23 April 1947 of the Council of Foreign Ministers on the free exchange of information and democratic ideas by all media in all of Germany.

You will develop and maintain organizations and facilities for the operation of media of information, including those sponsored by Military Government, designed to further the objectives of your government.

International Cultural Relations

In furtherance of the program of the reorientation of the German people and the revival of international cultural relations, you will permit and assist the travel into and out of Germany of persons useful for this program within the availability of your facilities. You will also permit assist, to the extent of your facilities, the free flow of cultural materials to and from Germany.

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Youth Parliament

They are usually 'teen-agers and correspondingly carefree, but they are seriously interested in learning how their own state legislative set-ups work when they try it themselves.

The Youth Parliament in Stuttgart meets every Monday night. The "youth" are mostly voting age; membership is supposed to be restricted to young people between 16 and 25, but few delegates are under 20, and a considerable number, including some of the leaders, have passed their 25th birthdays. They don't play at government, they pass no mock "laws," and resolutions are discouraged by their leaders and by MG sponsors.

THEY exist purely as a discussion group, to ask questions, and try to find the right men to come and answer them. They have no program except the aim of free and frank discussion of important German problems; and the Religion and Education Branch of Military Government, which has sponsored the group, hopes only that they will learn to consider the aspects of social problems fairly, acquiring tolerance for an opposition point of view.

Their organization does not resemble either a pseudo-parliament or

any type of legislative body. They have a presiding officer, called a Vorsitzender, and a "Presidium," consisting of eight members, who plan the discussion for the different week's meetings.

At present the Presidium is composed of a chosen representative from the following groups: the Evangelical Youth, Catholic Youth, Friends of Nature, Trade Union, Free Youth, Koenenger Bund, unorganized youth, and Falken Youth.

The Presidium is not a static board, but varies with the topic scheduled for consideration. For example, if Germany's school system is selected by the Parliament for discussion, each youth organization would choose one of its members who was especially well informed on the problem to sit on the Presidium for that week.

THE Youth Parliament is actually a sort of open forum or discussion group. It was given its impetus by an enthusiastic MG official in the Manpower Division, Milton Lowe, who has since returned to the United States. The first meetings were held in March, this year; the group was reorganized and officially opened on 10 June, with a speech by Lt. Col. Irvin S. Harlow, MG Officer for Stuttgart.

At the first meeting the young people decided to discuss a vital problem each week, and they have never side-stepped into debating trivial or academic questions. The Presidium tries to get distinguished and expert speakers to address every meeting, on the chosen subject.

About 20 percent of the Parliament's membership are women, according to Erich Frommer, leader of the Freie Jugend, but the girls don't take a particularly active part in the meetings. However, there is no social aspect to the conclaves, and the young women don't go to the Youth Parliament to get dates, as they might do in a happier, less stricken society.

Stuttgart Youth Parliament members have made a good impression by the intelligent and eager way in which they tackle tough problems in their weekly discussions.

HOWEVER, a disturbing attitude of futility characterizes the outlook of these young people. They want to "do something," but they invariably choose something beyond their power to accomplish, and shrug their shoulders despairingly when they fail. For instance, the group decided, that Germans in Stuttgart, especially the children, should have more fruit in their diet. They took this advice to responsible German authorities, who were wrestling with the food problem, but hadn't much time for them, and verbally patted them on the head, saying, "That's fine. That's a good idea. Glad you're taking an interest; why don't you tell somebody else about it?"

The Parliament also endorsed lower railway charges for children, with no success; decided the currency should be stabilized.

These experiences soured them, and when asked why they aren't backing an important civic work which has some chance of success, they say, "Oh, what's the use?" and offer countless excuses. Rubble clearance, regarded by many as the first essential of all work in Germany today, does not attract them.

YOUNG Erich Frommer says: "Most of our members work all week, or go to school. They can't devote their Saturday afternoons or Sundays to a rubble clearing project because they are too tired, they have too many personal things to attend to. Besides, they are not well-fed enough to have the necessary energy." The Freie Jugend, however, did build their own clubhouse out of reclaimed rubble, working on weekends.

When asked if the young people had considered seeking to have their beliefs translated into action by backing a candidate for election to the Landtag, or selecting a member already elected through whom they could work, and to whom they could offer support, leaders say: "Oh, we couldn't do anything. Our members represent too many political parties. They would quarrel among themselves over what candidates to support."

YOUTH Parliament members say a lack of money is their greatest problem. They are granted an